

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:
FIRST GUARANTY MORTGAGE
CORPORATION, *et al.*,¹
Debtors.

Chapter 11
Case No. 22-10584 (CTG)
(Jointly Administered)
Hearing Date: July 28, 2022 at 10:00 a.m. (ET)
Objection Deadline: July 26, 2022 at 5:00 p.m. (ET)
(as extended by the parties)
Related D.I. 117, 119

**DEBTORS' STATEMENT AND RESERVATION OF RIGHTS IN RESPONSE TO
CUSTOMERS BANK'S EMERGENCY MOTION SEEKING INTERIM AND FINAL
RELIEF REQUIRING DEBTORS TO SEGREGATE AND ACCOUNT FOR CASH
COLLATERAL IN COMPLIANCE WITH 11 U.S.C. § 363(C)(4)**

The above-captioned debtors and debtors in possession (the “Debtors”) in these chapter 11 cases (the “Chapter 11 Cases”) submit the below statement and reservation of rights in response to *Customers Bank's Emergency Motion Seeking Interim and Final Relief Requiring Debtors to Segregate and Account for Cash Collateral In Compliance with 11 U.S.C. § 363(c)(4)* [D.I. 117] (the “Motion”).

On July 13, 2022, Customers Bank filed the Motion, by which it sought, among other things, interim and final orders requiring the Debtors to segregate and account for the cash collateral of Customers Bank. On January 15, 2022, the Debtors and Customers Bank entered into a stipulation preserving the status quo, on an interim basis, regarding the cash collateral of Customers Bank [D.I. 137], which was approved by Order of this Court later that day [D.I. 138].

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's tax identification number in the jurisdiction are: First Guaranty Mortgage Corporation (9575); and Maverick II Holdings, LLC (5621). The location of the corporate headquarters and the service address for First Guaranty Mortgage Corporation is 5800 Tennyson Parkway, Suite 450, Plano, TX 75024.

Since that time, the Debtors have engaged, and continue to engage, in good faith, arm's length negotiations with Customers Bank, as well as other parties-in-interest in these Chapter 11 Cases, in an effort to resolve, on a final basis, the concerns of Customers Bank as raised in the Motion. The Debtors anticipate that such a resolution will be been reached, and such resolution will be reflected in the amended proposed *Order Granting, On a Final Basis, Motion of the Debtors for Entry of Interim and Final Orders: (I) Authorizing Use of Cash Management Procedures, Bank Accounts, and Certain Payment Methods; (II) Prohibiting Setoffs and Freezing of Bank Accounts; (III) Modifying Requirements of Section 345(b) of the Bankruptcy Code; (iv) and for Related Relief*. To the extent all issues raised in the Motion are not resolved prior to any hearing before this Court to consider the Motion (the "Hearing"), the Debtors reserve all of their rights with respect to the Motion, including their right to file a written objection to the Motion prior to the Hearing and their right to appear and be heard with respect to the Motion at the Hearing.

Dated: July 26, 2022

PACHULSKI STANG ZIEHL & JONES LLP

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Proposed Counsel for Debtors and Debtors in Possession